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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/550,752	04/17/2000	Tomas Leon	M-8664-3C US	1159
24251	7590	07/27/2004	EXAMINER	
SKJERVEN MORRILL LLP 25 METRO DRIVE SUITE 700 SAN JOSE, CA 95110			HAMILTON, LALITA M	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 07/27/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/550,752
Filing Date: April 17, 2000
Appellant(s): LEON ET AL.

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David L. Parker
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed March 29, 2004.

(1) Real Party in Interest

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A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Issues*

The appellant's statement of the issues in the brief is correct.

(7) *Grouping of Claims*

Appellant's brief includes a statement that claims 34-45 do not stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

(8) *Claims Appealed*

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) *Prior Art of Record*

4,232,367	Youden et al	11-1980
4,194,242	Robbins	3-1980

Aztec Properties (530 S.W.2d 756; 1975 Tenn. LEXIS 566)

U.S. Department of Labor statistics

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims 34 and 36-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Youden (4,232,367) in view of Aztec Properties. This rejection is set forth in a prior Office Action, mailed on July 2, 2003.

Claims 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Youden in view of Aztec Properties as applied to claim 34, and in further view of U.S. Department of Labor. This rejection is set forth in a prior Office Action, mailed on July 2, 2003.

Claims 38, 40-42, and 44-45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Youden in view of Aztec Properties and Robbins (4,194,242). This rejection is set forth in a prior Office Action, mailed on July 2, 2003.

Claims 39 and 43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Youden, Aztec Properties, and Robbins as applied to claims 38 and 42, and in further view of U.S. Department of Labor. This rejection is set forth in a prior Office Action, mailed on July 2, 2003.

(11) Response to Argument

With regard to claim 34, the Appellant has argued that neither Youden nor Aztec Properties teach or suggest "a principal component, the principal component being periodically adjusted for inflation". In response, the Youden reference discloses a

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financial instrument having a principal component (the principal amount) that may be periodically adjusted for inflation (by using the financial instrument to calculate the principal amount adjusted for inflation)—col.2, lines 15-25 and 35-40 and col.5, lines 30-48. Further, it is not to say that the financial instrument may not be used in calculations based upon whatever the user desires. Therefore, the Examiner is interpreting Youden as broadly reading onto the invention substantially as claimed. In the Final Office Action, the Examiner stated that it was inherent that the financial instrument may be used to adjust for either past or future inflation to protect against potential loss due to inflation, since the Appellant did not incorporate the limitation into a method claim. Therefore, the Examiner further interpreted the financial instrument as having the capability of performing these functions.

With regard to the Aztec Properties reference, the Examiner clearly stated that the reference was being incorporated as a teaching of inflation based on the Consumer Price Index (CPI). In light of the above arguments with regard to claim 34, the Examiner feels that she has established a *prima facie* case of obviousness.

Further, with regard to claim 34, the Appellant has argued that neither reference teaches or suggests setting up an account that is paid out according to past, known inflation. In response, nowhere in claim 34 does the Appellant claim "setting up an account that is paid according to past, unknown inflation". The excerpts in which the Appellant is referring to (col.5, lines 35-45 and col.3, lines 32-38) are cited for the following limitations: "periodic interest payments are paid based on the inflation-adjusted principal component at the time said periodic payments are paid" and "wherein the

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inflation-adjusted principal component is payable at the end of the term". With regard to these claim limitations, the Examiner contends that Youden broadly discloses these limitations substantially as claimed. The Examiner again maintains the argument that the Appellant did not claim any of the limitations in a method claim; therefore, the Youden reference is being interpreted as not only broadly disclosing the above limitations, but having the capability of performing these and other functions, as well.

With regard to claims 36-37, the Appellant has argued that neither reference teaches or suggests the financial instrument comprising a debt instrument being a bond, certificate of deposit, or an annuity account. In response, Youden clearly discloses financial instruments that may include a debt instrument being a certificate of deposit (col.1, lines 25-30 and 45-50).

With regard to claim 35, the Appellant has argued for the same reasons above in claim 34. Therefore, the Examiner hereby incorporates the arguments set forth above with respect to claim 34.

With regard to claims 38, 40-42, and 44-45, the Appellant incorporated the arguments with respect to claim 34. Therefore, the Examiner hereby incorporates the arguments set forth above with respect to claim 34.

The Appellant has argued that there is no motivation to combine the teaching of Youden and Robbins, with regard to claim 38. The Appellant contends that neither reference teaches or suggests an accrual component being adjusted for inflation, variable interest rates, or setting up an account that is paid out according to past, known inflation. In response, Youden disclosed what the Examiner broadly interpreted as an

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accrual component adjusted for inflation (financial calculator having an accrual component and component for adjusting inflation). With regard to the variable interest rates, the Examiner incorporated Robbins as a teaching of this limitation, since Youden was silent as to the use of variable interest rates. The use of variable or fixed interest rates is well known and practiced by many banks and financial institutions to produce profit. Therefore, the Examiner incorporated Robbins as a teaching of variable interest rates, to demonstrate that the rates may be varied to produce desirable profit when measured against inflation, which may potentially erode profit. Nowhere in claim 38 does the Appellant claim "setting up an account that is paid according to past, unknown inflation"; therefore, the Examiner hereby incorporates the arguments with respect to this limitation set forth above.

With regard to claims 40-41, the Appellant has argued that none of the references teach or suggest the financial instrument comprising a debt instrument being a bond, certificate of deposit, or an annuity account. In response, Youden clearly discloses financial instruments that may include a debt instrument being a certificate of deposit (col.1, lines 25-30 and 45-50).

With regard to claim 42, the Appellant has set forth the same argument as the argument for claim 38. Therefore, the Examiner hereby incorporates the response set forth above.

With regard to claims 44-45, the Appellant has argued that none of the references teach or suggest the financial instrument comprising a debt instrument being a bond, certificate of deposit, or an annuity account. In response, Youden clearly

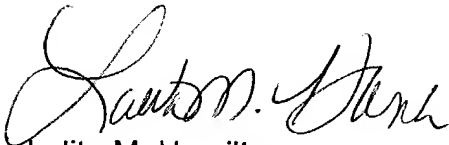
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discloses financial instruments that may include a debt instrument being a certificate of deposit (col.1, lines 25-30 and 45-50).

With regard to claims 39 and 43, the Appellant has incorporated the arguments set forth above for claim 38. Therefore, the Examiner hereby incorporates the response set forth above.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Lalita M. Hamilton
July 12, 2004



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